

**REPORT BY THE INTERNAL AUDITOR TO HOLME PARISH COUNCIL
FINANCIAL YEAR ENDING 31 MARCH 2019**

The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015 requires a Council, having signed the Certificate of Exception, to publish the requisite documents on a website prior to 2nd July in the relevant year.

The clerk has undertaken the requirement and the Annual Governance and Accountability Return, (AGAR) with all attendant information was publicly displayed, on the Council website.....ensuring compliance with all aspects of the Regulations.

I confirm I have, on the 21st May 2019 undertaken an internal audit for the period 1st April 2018– 31st March 2019 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the relevant sections of “Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2018.

The areas covered in the audit are noted below.

1. Proper Bookkeeping

The Council operates Receipts and Payments Accounts as required by the Regulations. The Cashbook is maintained through Quick Books accounting package and is up to date. There were no arithmetical errors and there is a clear audit trail and a checking system for data input into the computerised records. Regular backups of all data are undertaken.

2. Standing Orders/Financial Regulations/Transparency Code/Policies

3. Invoice procedure

There is a clear audit trail from the financial records, supported by invoices and all payments are authorised and duly recorded in the minutes.

A random sample of expenditure was checked for accuracy. Where required the Council complies with tender/quotation as specified in Financial Regulations and adheres to the principle of best value.

4. VAT

Vat has been recorded and the correct sum, as per expenditure in the cashbook, identified and claimed for the period 1st.April 2018 – 31st March 2019 - £61.48

5. Sct 137 Payments

The Council has a statutory requirement to maintain ‘a separate account’ of expenditure under Local Government Act 1972 section 137 by the inclusion in the cashbook of a separate accounting column. No expenditure has been incurred under this Power.for

6. Risk Management

The Council continually monitors all risks to which the council is exposed. A document exists currently.

It is the intention of the new Clerk/RFO to implement a regime where all statutory documents and policies will be reviewed at the Annual Meeting of the Council.

7. Internal Financial Controls

There is clear evidence by checks, dates and signatures on relevant documents e.g. invoices, financial statements, schedule of payments, and chequebook stubs that the Council is in control of the use of public monies.

8. Register of Interest

Members have duly completed the Register of Interests and fulfilled their obligation to update the details annually.

9. Budgetary Control

A correct budget process is in place and the budget is monitored quarterly.

The accounting method enables immediate identification of monthly and cumulative spends to each budget heading. The financial reports presented by the RFO enable the council to readily address any budget under/overspends and if necessary make the relevant virements.

10. Cash Balances at the Bank

It is a requirement of internal audit to express a view on whether the cash reserves of the council are adequate or excessive. The balances are adequate to meet the future budgeted undertakings of the council.

11. Income Controls

All income is properly recorded and promptly banked and adequate measures are in force to ensure security. No cash income

12. Petty Cash

The Council does not operate a petty cash system but the Clerk's expenses are reported to the relevant meeting

Sums drawn are allocated to the appropriate budget head and VAT is identified and claimed.

13. Payroll Controls

All PAYE/NIC records are properly operated and up to date with all returns being made to HMRC to meet time scales.

14. Asset Control

There exists an extensive register of all material assets in control of the Council. The register is up to date.

Acquisitions and disposals, if appropriate, are recorded to ensure accurate recording in the AGAR

All assets are adequately covered by insurance

15. Bank Reconciliation

There exists a bank reconciliation, which accurately reflects the balances at the bank accounts at the financial year ending 31st March 2019. Periodically members verify the accuracy of the cashbook by a signature confirming it corresponds with the relevant monthly bank statement

16. Annual Accounts

The accounts of Holme Parish Council are prepared on a receipts and payment basis as required by the Account and Audit Regulations.

I confirm that Holme Parish Council is compliant with all regulations and statutory undertakings.

I conclude and report that the Clerk/Responsible Financial Officer (RFO) has maintained a high standard of recordkeeping, which has simplified the audit process. The Council's control systems are efficient and effective and give the appropriate level of confidence, that the financial statements and reports reflect a true and accurate account of the Council's finance and governance records.



Georgina D Airey – Internal Auditor 23rd May 2019.